

REMARKS

Claims 1-64 and 69-71 are pending. Claims 65-68 are withdrawn.

As a preliminary matter, an incomplete Notice of Abandonment is attached after page 5 of the instant Office Action. We spoke with Examiner Richard Weisberger on May 29, 2008 regarding the Notice of Abandonment. Examiner Weisberger agreed that the Notice of Abandonment was not issued and should not have been attached to the instant Office Action. He stated that we should disregard the Notice of Abandonment.

Claims 1-64, 70, and 71 are rejected under 35 U.S.C. § 112, second paragraph, as purportedly being indefinite. Applicants traverse.

Indefiniteness under the second paragraph of 35 U.S.C. § 112 is a question of law. *Tillotson Ltd. v. Walbro Corp.*, 831 F.2d 1033, 4 USPQ2d 1450 (Fed. Cir. 1987); *Orthokinetics Inc. v. Safety Travel Chairs Inc.*, 806 F.2d 1565, 1 USPQ2d 1081 (Fed. Cir. 1986). Accordingly, in rejecting a claim under the second paragraph of 35 U.S.C. § 112, the PTO is required to discharge its initial burden for providing a basis in fact and/or cogent reasoning to support the ultimate legal conclusion that one having ordinary skill in art, with the supporting specification in hand, would not be able to reasonably ascertain the scope or protection defined by the claim. *In re Cortwright*, 165 F.3d 1353, 49 USPQ 2d 1464 (Fed. Cir. 1999). Consistent judicial precedent holds that reasonable precision in light of the particular subject matter involved is all that is required by the second paragraph of 35 U.S.C. § 112. *Miles Laboratories, Inc. v. Shandon, Inc.*, 27 USPQ 2d 1123 (Fed. Cir. 1993); *North American Vaccine, Inc. v. American Cyanamide Co.*, 28 USPQ 2d 1333 (Fed. Cir. 1993); *U.S. v. Telectronics, Inc.*, 8 USPQ 2d 1217 (Fed. Cir. 1988). Applicants stress that a patent specification must be viewed through the eyes of one having ordinary skill in the art. *Miles Laboratories, Inc. v. Shandon, Inc.*, *supra*.

In applying the above legal tenets to the exigencies of this case, Applicants submit that one having ordinary skill in the art would not have been befuddled by the claimed subject matter. Moreover, the Examiner's ultimate legal conclusion of indefiniteness ignores the basic legal tenet requiring claims to be interpreted through the eyes of one having ordinary skill in the art in light of and consistent with the written description of the specification. The Examiner failed to even attempt to offer up a reasoned analysis **why** one having ordinary skill in the art would have been confused by the claim language, particularly when reasonably interpreted in light of and consistent with the written description of the specification. *Miles Laboratories, Inc. v. Shandon, Inc., supra*. The rejection is not legally viable for at least this reason. Nonetheless, in order to advance prosecution on the merits, Applicants have amended some of the claims for clarity.

The Examiner contends that generally it is not clear what steps are being carried out by the computer and which by conventional processes. The Office Action asserts that the limitation of screening a plurality of entities to identify a plurality of authorized traders, the screening performed by the central authority having a registry of the plurality of authorized traders and a standardized sales contract having pre-approved terms is indefinite with respect to the screening process. The Examiner contends that if the registry exists, on what criteria are the authorized traders being screened and are the new traders first screened before they are entered into the registry? The Examiner inquires, as for the contract, what parties are the terms preapproved, what constitutes a preapproved contract, and how can the contract be preapproved before all the material terms of the contract are agreed upon?

Applicants submit that in light of the instant disclosure, the present claims are clear and definite to one of ordinary skill in this art. In particular, the Applicants submit that one of ordinary skill in this art would recognize that the claimed step of screening a plurality of entities

to identify a plurality of authorized traders includes at least one member company that is registered to trade commodities, or the member's subsidiaries, employees or agents of any sort (*see, e.g.*, Reference No. 110 of Fig. 1; pg. 7, lines 23-25; pg. 12, line 15-pg. 13, line 24).

With respect to the pre-approved terms, the Applicants submit that one of ordinary skill in this art would recognize that the claimed terms include termination clauses, sequential unconditional obligations, shipment terms, discounts, transaction fees, and/or taxes (*see, e.g.*, pg. 13, line 23-pg. 15, line 11).

The Examiner inquires what constitutes an agreement for a sales contract and what is the contractual consideration.

An embodiment of "an agreement for a sales contract" includes a trader selecting a bid and accepting one or more of the active bides (*see, e.g.*, Reference No. 434 of Fig. 4B; pg. 29, lines 4-11).

The Examiner inquires what a "minimum trade" is.

An embodiment of a "minimum trade" includes the central authority checking whether the offer is greater than a minimum buy price or less than a maximum sell price. The minimum trade is one of the system parameters set by the central authority (*see, e.g.*, Ref. No. 124 of Fig. 1; Ref. No. 428 of Fig. 4B; pg. 27, line 20-pg. 28, line 6).

The Examiner contends that the limitation of determining that the at least two contracting traders have sufficient resources to perform according to the sales contract using the registry is purportedly indefinite as to how the registry is used to determine credit worthiness.

The Applicants submit that one of ordinary skill in this art would recognize that the claimed step of "using the registry" stores the privileges of the authorized traders to participate in

trading commodities, including whether or not the trader has the financial resources to make the purchase (*see, e.g.*, Ref. No. 120 of Fig. 1; pg. 7, lines 1-4).

Accordingly, one having ordinary skill in the art would not have difficulty understanding the scope of the presently claimed subject matter, particularly when reasonably interpreted in light of the supporting specification. Therefore, it is respectfully submitted that the imposed rejection under 35 U.S.C. § 112, second paragraph is not legally viable and hence, Applicants solicit withdrawal thereof.

Claims 1-64 and 69-71 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Fpix (web archive), in view of Bakos, The Emerging Role of Electronic Marketplaces on the Internet. Applicants traverse.

The Examiner concludes that it would have been obvious for one to add pre-approved contracts regarding the use of the site, as motivated for the need of satisfying internet law. The Examiner contends it would have been obvious for one skilled in the art to have screened a plurality of entities to identify a plurality of authorized traders as motivated by the need to ensure that all parties participating on the site are trusted. The Examiner concludes that it would have been obvious for one to enter into an agreement for a sales contract based upon the submitted bid and asks as motivated by the need to comply with traditional business practices.

As an initial matter, the Examiner's conclusory statements of obviousness are not sufficient to establish a prima facie case of obviousness. Thus, the Office Action is setting forth a motivational rationale not supported by the record, but rather based solely on the Examiner's belief of what one skilled in the art may have tried or recognized.

However, to set forth a rejection including Official Notice, the rejection must include some form of evidence in the record to support an assertion of common knowledge. If Official Notice is

taken of a fact, unsupported by documentary evidence, then the basis for such reasoning must be set forth explicitly. The Examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge. *See*, MPEP 2144.03(B) and (C) and 37 C.F.R. 1.104(d)(2). If the Examiner believes that the claimed pre-approved terms, pre-approved contracts, steps of screening a plurality of entities to identify a plurality of authorized traders, and entering into an agreement for a sales contract based upon the submitted terms and the pre-approved terms correspond to the exchange of Fpix, the Examiner is specifically requested to provide **objective evidence**. Failure to provide objective evidence to support implicit official notice when challenged constitutes ground for reversal. *Ex parte Natale*, 11 USPQ2d 1222 (BPAI 1988); *Ex parte Nouel*, 158 USPQ 237 (Bd.App. 1967).

It is well settled that “the Board [and the Examiner] cannot simply reach conclusions based on [their] own understanding or experience - or on [their] assessment of what would be basic knowledge or common sense. Rather the Board [and the Examiner] must point to some concrete evidence in the record in support of these findings.” *In re Zurko*, 258 F. 3d 1379, 1386 (Fed. Cir. 2001). *See also*, *In re Lee*, 277 F. 3d 1338, 1344-45 (Fed. Cir. 2002), in which the court required evidence for the determination of unpatentability by clarifying that the principles of “**common knowledge**” and “**common sense**” may only be applied to the analysis of evidence, rather than be a substitute for evidence.

Contrary to these requirements, the outstanding Office Action provides no sound technical and scientific reasoning to support the above-recited Official Notice. The relied upon motion must be evidenced in the record, and cannot be based merely on an opinion of the Examiner.

There is no apparent factual basis upon which to predicate the conclusion that any such capability is inherent, i.e., is **necessarily** present, in the exchange disclosed by Fpix. The Office

Action also fails to identify the alleged teachings in Fpix of a server, as required by independent claims 23 and 43.

With respect to independent claim 1, Fpix fails to teach or suggest the step of entering into an agreement for a sales contract based upon the submitted terms of each trader of at least two traders of the plurality of authorized traders and pre-approved terms of the standardized sales contract. There is no mention of a standardized contract at all, let alone how such a standardized sales contract might be implemented. In addition, there is no indication in Fpix that the exchange would constitute a “non-trading central authority,” as required by claim 1.

With respect to independent claim 26, Fpix is *silent* regarding a server connected to the network where the server has a server memory medium storing information indicative of a plurality of authorized traders, and one or more server processors is configured for determining whether the client is a trader client belonging to a trader of the plurality of authorized traders, for accepting terms from the trader client, and for entering into a sales contract for the commodity based upon the terms from the trader client of each of at least two contracting traders, if the terms from the client of each trader indicates an agreement. The Examiner concludes that Fpix teaches or renders obvious each of these steps on the internet, as it would have been obvious for one skilled in the art at the time to use a server connected to a network to carry out these processes, and asserting that this is the conventional means for carrying out these steps on the internet.

With respect to independent claim 43, Fpix is *silent* regarding submitting terms for a sales contract for a commodity onto the server and if the submitted terms indicate agreement, then entering into an agreement by computer for the sales contract for the commodity based upon

the submitted terms of each of at least two contracting traders. The Examiner concludes that the exchange of Fpix renders obvious this stored contract.

The Examiner ignores the claim limitations of dependent claims 2-25, and independent claims 48, 63, and 64 and their respective dependent claims. It is legally erroneous for the Examiner to ignore any claim limitation. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). The Examiner committed clear legal error in ignoring the claim limitation requiring a computer-readable medium (claims 48 and 64) and a client computer having a client memory medium and one or more client processors (claim 63). These are structural limitations. Moreover, that structural limitation provides definite functional advantages as previously pointed out. The Examiner simply cannot ignore this claim limitation. *In re Garnero*, 412 F.2d 276, 162 USPQ 221 (CCPA 1969). It is requested that the Examiner specifically identify where the references disclose or remotely suggest these technical features of independent claims 48, 63, and 64, or withdraw the rejection of those claims and claims 49-62 that depend from independent claim 48.

In the Office Action mailed November 15, 2007, the Examiner relies on Bakos in an attempt to cure the deficiencies of Fpix. The Office Action asserts that Bakos teaches that it is well known to add reputations and credit systems to electronic market places. The Examiner simply states that there is ample motivation for modifying the reference, in particular, credit worthiness is a well-understood factor in commercial trade.

In order to establish the requisite fact-based motivation, the Examiner must make **clear and particular factual** findings as to a **specific** understanding or **specific** technological principle and, based upon such facts, explain **why** one having ordinary skill in the art would have been realistically motivated to modify **particular** prior art, in this case Fpix, to arrive at the claimed

invention. *In re Lee*, 237 F.3d 1338, 61 USPQ2d 1430 (Fed. Cir. 2002); *Ecolochem Inc. v. Southern California Edison, Co.*, 227 F.3d 1361, 56 USPQ2d 1065 (Fed. Cir. 2000); *In re Kotzab*, 217 F.3d 1365, 55 USPQ 1313 (Fed. Cir. 2000); *In re Dembiczak*, 175 F.3d 994, 50 USPQ2d 1614 (Fed. Cir. 1999). That burden has **not** been discharged.

Instead, the Examiner initially refers to “a well understood factor in commercial trade.” Whatever may or may not be known in **commercial trade** does not provide the requisite motivation to modify a **specific** reference in a **specific** manner to arrive at a **specifically** claimed invention. *In re Lee*, *supra*; *Ecolochem Inc. v. Southern California Edison, Co.*, *supra*; *In re Kotzab*, *supra*; *In re Dembiczak*, *supra*. See, also, *In re Rouffet*, 149 F.3d 1350, 47 USPQ2d 1453 (Fed. Cir. 1998).

The Examiner states that credit worthiness is a well-understood factor in commercial trade without any reference to Fpix or Bakos. What that has to do with the **specific** motivation to modify a **specific** reference in the present case is **not** apparent. This overgeneralization is clearly legally erroneous. *In re Rouffert*, *supra*.

Applicant, therefore, submits that the imposed rejection of claims 1-64 and 69-71 under 35 U.S.C. § 103 for obviousness predicated upon Fpix in view of Bakos is not factually or legally viable and, hence, solicits withdrawal thereof.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper,

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including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

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